

JUL 7 1955

*This prospectus is not and under no circumstances is to be construed as a public offering of these Debentures for sale in the United States of America or in the territories or possessions thereof.*

## NEW ISSUE

\$600,000

**DeCoursey-Brewis Minerals Limited**

(Incorporated under the laws of the Province of Ontario)

**6% Sinking Fund Debentures****Carrying Stock Purchase Warrants**

To be dated June 1, 1955

To mature June 1, 1962

Principal and half-yearly interest (June 1 and December 1) payable in lawful money of the United States of America, at the main branch of the Company's bankers for this purpose in the City of Toronto. Coupon Debentures in denominations of \$500 and \$1,000 registrable as to principal only and fully registered Debentures in denominations of \$1,000 and authorized multiples thereof.

The 6% Sinking Fund Debentures will be redeemable prior to maturity in whole at any time or in part from time to time at the option of the Company and out of sinking fund moneys on not less than sixty days' notice at the principal amount thereof plus accrued interest to the date specified for redemption.

**SINKING FUND**

The Company will covenant to pay to the Trustee as and by way of a sinking fund for the 6% Sinking Fund Debentures, so long as any of such Debentures remain outstanding, on June 1 in each year, commencing June 1, 1957, an amount equal to 50% of the net earnings (as to be defined in the trust deed) of DeCoursey Mountain Mining Company, Inc. for the preceding fiscal year of DeCoursey Mountain Mining Company, Inc. Further particulars concerning the sinking fund are more fully given herein.

**STOCK PURCHASE WARRANTS**

There shall be issued with each 6% Sinking Fund Debenture when originally issued in interim form a stock purchase warrant entitling the holder thereof to purchase shares in the capital stock of the Company at the rate of 1,000 such shares for each \$1,000 principal amount of such Debenture at the price (i) of \$1.00 per share until the close of business on December 31, 1956, and (ii) of \$1.50 per share thereafter and until the close of business on December 31, 1957. Said stock purchase warrants will be issued under and pursuant to an Indenture to be made between the Company and The Sterling Trusts Corporation, as Trustee, and will expire on the close of business on December 31, 1957.

The indenture pursuant to which the stock purchase warrants will be issued will contain provisions for the appropriate adjustment in the number of shares issuable pursuant to the privilege attaching to the stock purchase warrants in the event of any subdivision, consolidation or reclassification of, or any stock dividend being paid on, the shares of the capital stock of the Company.

**Trustee: The Sterling Trusts Corporation.**

We, as principals, offer the 6% Sinking Fund Debentures subject to prior sale and change in price, if, as and when issued to and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Burt & Burt, Toronto, and on our behalf by Messrs. McCarthy & McCarthy, Toronto, each of whom may rely on the opinion of local counsel as to all matters of local law.

**PRICE: \$100 and accrued interest**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about July 11, 1955.

**BREWIS & WHITE LIMITED****145 YONGE STREET****TORONTO 1, CANADA**



GEORGE R. GARDINER LIMITED,  
44 King Street West,  
Toronto, Ontario.

BREWIS & WHITE LIMITED,  
145 Yonge Street,  
Toronto, Ontario.

Dear Sirs:

With reference to your proposed purchase of \$600,000 principal amount of 6% Sinking Fund Debentures (hereinafter sometimes referred to as the "Debentures") of DeCoursey-Brewis Minerals Limited (hereinafter referred to as the "Company"), I am pleased to submit the following information:

### The Company

The Company was incorporated as a mining company under the laws of the Province of Ontario with the name Brewis Red Lake Mines Limited by letters patent dated August 30, 1945. By supplementary letters patent dated July 4, 1952 the capital of the Company was increased from 3,500,000 shares of a par value of \$1.00 each to 5,000,000 shares of a par value of \$1.00 each. By supplementary letters patent dated January 21, 1955 the authorized capital of the Company was decreased by the cancellation of 4,112,500 issued shares, was increased to 3,500,000 shares of the par value of \$1.00 each by the creation of an additional 2,612,500 shares, and the name of the Company was changed to DeCoursey-Brewis Minerals Limited.

### Relationship with DeCoursey Mountain Mining Company, Inc.

In January, 1955 the Company made an offer to the shareholders of DeCoursey Mountain Mining Company, Inc. (hereinafter called "DeCoursey Mountain") to acquire from such shareholders the shares held by them in DeCoursey Mountain on a basis of two shares in the capital stock of the Company for each one share held by such shareholders. DeCoursey Mountain was organized under the laws of the Territory of Alaska on October 22, 1951 with an authorized capital of 300,000 shares of \$1.00 par value and is the holder of several prospective mercury properties in the Territory of Alaska. Pursuant to the share exchange offer the Company, as of May 31, 1955, had acquired a total of 292,949 shares of the capital stock of DeCoursey Mountain. The Company, as of May 31, 1955, had advanced DeCoursey Mountain an aggregate of \$380,000 to enable it to carry on development of its mercury properties and the Company holds promissory notes of DeCoursey Mountain evidencing such advances.

### Properties

The Company through its subsidiary DeCoursey Mountain holds interests in several properties in the Territory of Alaska. These properties are more particularly known as

- (i) the Red Devil property along the south bank of the Kuskokwim River about 300 miles from the Port of Bethel;
- (ii) the Willis property on the north shore of the Kuskokwim River about 3 miles downstream from the Red Devil property; and
- (iii) the DeCoursey Mountain property located about 40 miles north-west of the Red Devil property.

The Red Devil property consists of 19 unpatented mining claims of 20 acres each of which 5 of such claims are owned by DeCoursey Mountain and the balance are held under thirty-year leases calling for payment of royalties ranging from 8% to 10% from the return of any mercury produced therefrom. A considerable amount of exploration has taken place on this property not only by DeCoursey Mountain but as well by its predecessors in title and the United States Bureau of Mines, and a shaft has been sunk for a depth of 230 feet, three levels have been established at 38, 77 and 165 feet and lateral work has been carried out from such levels. In addition, surface buildings necessary for a mining operation were constructed and a reduction plant was installed. The predecessors in title of DeCoursey Mountain produced small quantities of mercury during the years 1944 and 1945. Operations were suspended in the fall of 1945 due to a drop in market price and the difficulty in obtaining prompt notice of price changes. DeCoursey Mountain, after its acquisition of the Red Devil property, carried out certain further exploration work and commenced production of mercury on January 1, 1954. During the period January 1, 1954 to October 31, 1954 a total of 1,008 flasks of mercury were produced and sold at prices ranging from \$185.50 per flask in January 1954 to a high of \$325.00 per flask in October 1954. On October 22, 1954 a fire broke out in the reduction plant on the Red Devil property and the reduction plant and certain equipment were destroyed. Since the date of this fire, production from the Red Devil property has been suspended.

The Willis property consists of 6 mining claims of 20 acres each held under a ten-year option calling for payments of \$5,000 per year. The DeCoursey Mountain property consists of 9 unpatented mining claims owned outright by DeCoursey Mountain and 8 placer claims held under lease by that company. Exploration work on the Willis and DeCoursey Mountain properties has been limited and consists mainly of surface pits and trenches. In addition, five adits for a length of 1,720 feet have been driven on the DeCoursey Mountain property. The development work to date on the DeCoursey Mountain property has indicated the existence of mercury ore and the Company understands that some 800 flasks of mercury have been produced from the DeCoursey Mountain property by various owners of the property.

The Company also holds properties in the Provinces of Ontario and Saskatchewan and in the Yukon Territory. One of such properties in the Yukon Territory, the Allgold Gold Placer property, has been leased to Northern Placers Limited for a ten-year period on a basis whereby the Company will receive a royalty of 10% of the value of all gold produced therefrom. Reference is made to the subjoined report of G. L. Holbrooke dated May 16, 1955 for details of the geology, prospects and development work carried out on the Ontario, Saskatchewan and Yukon Territory properties of the Company.

### Development Plans

The development work to date carried out on the Red Devil property has indicated the existence of a sufficient quantity of mercury to support a 75 ton per day operation with the possibility that through exploration



of the remaining favourable zone on the property, additional orebodies could be developed of sufficient size to support a 250 ton per day operation. The shaft on the Red Devil property is currently being deepened to establish a new third level, 150 feet vertically below the old bottom level, in order to explore for the downward continuation of the indicated orebodies. The Company proposes to erect a 75 ton per day reduction plant on the Red Devil property of which the first unit having a capacity of 40 tons of ore per day has been purchased and will be in production this year. The reduction plant will be so constructed that additional units may be added to increase the capacity to 250 tons per day should current exploration justify such an increase.

#### D.M.E.A. Loans

To enable it to carry out its exploration program to date, DeCoursey Mountain has received from the Defence Minerals Exploration Administration (D.M.E.A.) of the United States, interest free loans aggregating \$85,825.97, of which \$11,457.35 has been repaid. Such loans are repayable only if production is achieved and then to the extent of 5% of such production until repaid or for a period of 10 years, whichever is the earlier. Further loans may be arranged with D.M.E.A. to finance future exploration work of the properties of DeCoursey Mountain.

#### Extraction Process

The process of extracting mercury from the ore is relatively simple and consists of roasting the ore, condensing into a soot the vapour resulting from such roasting and retorting the soot. No serious metallurgical problems are expected to result from the proposed extraction process and it is expected that at least 90% of the mercury will be recovered.

#### Mercury (Quicksilver) Market

For the periods shown below the low and high prices per flask (76 lbs. per flask) of mercury are as follows:

Period	PRICES PER FLASK	
	Low	High
1931-1939 .....	\$ 57.93	\$103.94
1940-1945 .....	118.36	196.35
1946-1950 .....	76.49	98.74
1951-1955 (to May 31) .....	193.03	325.00

The high of \$325 per flask was reached in October 1954 and as of May 31, 1955 the price was \$305.

The principal supplier of mercury to the world market is Spain, with Italy the next most important supplier. These two countries account for approximately 90% of the world's production. As is apparent from the record of prices, demand for mercury rose sharply after 1951 due to the increased use of the metal in the chemical and electrical industries.

#### Purpose of Issue

The proceeds from the sale of the Debentures offered by this prospectus will be used by the Company to provide funds to enable DeCoursey Mountain to carry out further development work on its Alaskan properties, to defray the cost of installing and equipping a plant for the production of mercury and for general corporate purposes of the Company.

#### Capitalization

(as at March 31, 1955 after giving effect to present financing)

	To be Authorized	To be Outstanding
6% Sinking Fund Debentures (closed issue) due June 1, 1962 .....	\$600,000	\$600,000
Shares—par value \$1.00 each .....	3,500,000 shs.*	1,987,500 shs.

\*of which 600,000 shares will be reserved for issue upon the exercise of stock purchase warrants to be issued with the 6% Sinking Fund Debentures and 200,000 shares will be reserved for issue upon the exercise of stock purchase warrants to be issued to the Underwriters of the 6% Sinking Fund Debentures.

#### Certain Provisions of the Trust Deed

The \$600,000 aggregate principal amount of 6% Sinking Fund Debentures (herein sometimes referred to as the "Debentures") offered by this prospectus will be direct obligations of the Company and will be issued under and pursuant to a Deed of Trust and Mortgage (herein referred to as the "trust deed") to be dated as of June 1, 1955 and to be made between the Company and The Sterling Trusts Corporation, as Trustee. The Debentures will, in the opinion of counsel, be secured by

- (i) a first fixed and specific mortgage, pledge and charge on
  - (a) all the outstanding shares of DeCoursey Mountain Mining Company, Inc. held by the Company,
  - (b) all the outstanding promissory notes of DeCoursey Mountain Mining Company, Inc. held by the Company, and
- (ii) a first floating charge under the laws of the Provinces of Ontario and Saskatchewan upon all other present and future property and assets of the Company and upon its undertaking.

The first fixed and specific mortgage, pledge and charge to be created by the trust deed is to be expressed to be applicable to all shares and promissory notes of DeCoursey Mountain Mining Company, Inc. hereinafter acquired by the Company.

The trust deed will contain provisions, among others, to the effect that so long as any of the Debentures remain outstanding

- (i) the Company will not make any distribution of assets upon, nor apply any of its assets to the retirement or re-acquisition of, any shares of any class of its capital stock now or hereafter issued and outstanding;
- (ii) the Company will not declare or pay any dividends on, or redeem, reduce, purchase or otherwise pay off, any of its shares at any time outstanding, and for the purpose of this provision the term "dividends" shall include stock dividends;
- (iii) the Company will not permit any subsidiary to guarantee any indebtedness or dividends of nor give any other guarantee on behalf of any person, firm or corporation other than the Company;



- (iv) the Company will not sell or otherwise dispose of or permit any subsidiary to sell or otherwise dispose of (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) by conveyance, transfer, lease or otherwise, the assets and undertaking of the Company or of a subsidiary, as the case may be, as an entirety or substantially as an entirety;
- (v) the Company will not sell or otherwise dispose of nor will it permit any subsidiary to issue, sell or otherwise dispose of or to become liable on (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) any funded obligations of such subsidiary or of any subsidiary; provided that this provision shall not prevent DeCoursey Mountain Mining Company, Inc. from borrowing money from the Defence Minerals Exploration Administration of the United States of America in amounts limited to \$500,000 at any time outstanding notwithstanding that such borrowings create funded obligations of DeCoursey Mountain Mining Company, Inc.

The trust deed will provide that all moneys received by the Trustee representing principal repayments of the promissory notes of DeCoursey Mountain Mining Company, Inc. specifically mortgaged, pledged and charged thereunder shall be held by the Trustee and shall be applied by the Trustee on the written request of the Company for the following purposes and none other, namely, (a) to provide funds for the payment of interest falling due on the Debentures (b) to reimburse the Company for payments theretofore made on account of or to provide the Company with funds for the purchase of Debentures, and (c) to provide funds to meet any sinking fund payment payable by the Company.

#### **Sinking Fund**

The Company will covenant in the trust deed to pay to the Trustee as and by way of a sinking fund for the Debentures on June 1 in each year, commencing with June 1, 1957, an amount in lawful money of the United States of America equal to 50% of the net earnings (as to be defined in the trust deed) of DeCoursey Mountain Mining Company, Inc. for the fiscal year of DeCoursey Mountain Mining Company, Inc. next preceding the date upon which each sinking fund payment is to be made.

All Debentures purchased or redeemed by the Company, except Debentures purchased or redeemed out of sinking fund moneys, shall, notwithstanding the cancellation thereof, be available to the Company as a sinking fund credit which at the election of the Company may be applied to the extent not theretofore applied in amounts of \$500 and multiples thereof in satisfaction in whole or in part of required sinking fund payments payable thereafter. To the extent that the credit so applied does not satisfy the whole of the sinking fund payment to be made on the next sinking fund retirement date, the Company shall pay the balance of such sinking fund payment in cash. Such cash paid to the Trustee is to be applied in the retirement of Debentures by call for redemption at the principal amount thereof, together with accrued interest to the date specified for redemption, provided that such call need not be made if the moneys then in the sinking fund and required to be paid into the sinking fund are less than \$5,000 and in such case, such moneys may be used by the Trustee in purchasing Debentures for cancellation at a price not exceeding the principal amount thereof, plus accrued interest and costs of purchase.

#### **Stock Purchase Warrants**

There shall be issued with each Debenture when originally issued in interim form, a stock purchase warrant entitling the holder thereof to purchase shares in the capital stock of the Company at the rate of 1,000 such shares for each \$1,000 principal amount of such Debenture at the price, payable in lawful money of Canada (i) of \$1.00 per share until the close of business on December 31, 1956, and (ii) of \$1.50 per share thereafter and until the close of business on December 31, 1957. There will also be issued to the Underwriters of the said Debentures stock purchase warrants entitling the holders thereof to purchase an aggregate of 200,000 shares of the capital stock of the Company at the aforesaid price. The said stock purchase warrants will be issued under and pursuant to an Indenture to be dated as of June 1, 1955 and to be made between the Company and The Sterling Trusts Corporation, as Trustee, and will expire at the close of business on December 31, 1957. The Indenture pursuant to which the stock purchase warrants will be issued will include provisions, among others, for the appropriate adjustment in the number of shares issuable pursuant to the privilege attaching to the stock purchase warrants in the event of any subdivision, consolidation or reclassification of, or any stock dividends being paid on, the shares of the capital stock of the Company.

In addition, the Company will covenant in the Indenture to give at least thirty days' notice to the holders of stock purchase warrants of the record date for payment of any dividend on its shares and before issuing any rights to subscribe for additional shares, making any repayment of capital on its shares, consolidating or merging with any other company or selling or leasing a substantial part of its undertaking.

#### **Engineer's Report**

Appended hereto are the reports of G. L. Holbrooke dated May 16, 1955 with respect to the properties of the Company and DeCoursey Mountain.

Yours very truly,

(SIGNED) A. W. WHITE,

President.



**Engineer's Report on the Properties of  
DeCOURSEY-BREWIS MINERALS LIMITED**

**Introduction**

DeCoursey-Brewis Minerals Limited owns or controls seven groups of claims in Ontario, Saskatchewan and the Yukon. These are described below. In addition it controls through its Alaskan Subsidiary, DeCoursey Mountain Mining Co. Inc., three mercury lode properties and one mercury placer property in the lower Kuskokwim area of southwestern Alaska. These are described in the accompanying report of the DeCoursey Mining Co.

**(A) BALMER GOLD PROPERTY**

**Location, etc.**

This property is located in Balmer township in the Red Lake area of northwestern Ontario. It adjoins New Dickenson Mines Ltd. on the northeast and H. G. Young Mines Ltd. on the east. It consists of 14 patented mining claims covering 527.6 acres and numbered KRL—19689 to 19692; 19696 to 19702; and 20141 to 20143, all inclusive.

Access to the property is by a 1½ mile tractor road to the New Dickenson property. From here there is year round highway connection to Red Lake and to the C.N.R. and C.P.R. at Red Lake Road Station and Vermillion Bay respectively. Ample wood and water are on the property and hydro-electric power is available at the New Dickenson mine.

**Geology**

The western and northwestern claims of the group are underlain by folded and contorted sediments consisting of conglomerates, greywackes, and persistent interbedded slate and iron formations. The southeastern claims are underlain by pre-Cambrian dacites and andesites, apparently interbedded with the sediments.

The north and northwest claims are underlain by the eastern end of a large lenticular body of quartz porphyry intrusive into the surrounding sediments. The quartz porphyry enters from the west with a width of 2,500 feet and extends southwestward for 4,600 feet to within 1,000 feet of the east property boundary. A second intrusive body in the form of a 500 foot wide dyke of diorite is found crossing the southwest part of the property with a northwest strike.

Sulphide mineralization is widespread across the property. Strong pyrite and pyrrhotite are found in the iron formations and, to a less extent along and near the contacts of the diorite dyke. In addition the sediments around the quartz porphyry nose are strongly mineralized by pyrite over a wide area.

**Development**

The property has been mapped geologically and a magnetometer survey completed. In addition, 23,659 feet of diamond drilling has been done in 24 holes. Of this drilling 7 holes were used to cross-section the property near the west boundary, 4 holes explored the diorite contacts and 13 holes investigated the mineralized area around the quartz porphyry nose. The property has been inactive since August 1950.

**Conclusion**

Considerable exploration has been completed on the property and several heavily mineralized areas have been located. These have been investigated but gold values have been uniformly low, and further work at this time is not warranted.

However, work at the adjoining New Dickenson mine is continually providing new information concerning the geology and ore occurrences of the area and it is possible that eventually this will indicate ore possibilities on the DeCoursey Brewis ground which are not suspected now.

**(B) LAC LA RONGE URANIUM PROPERTY**

**Location, etc.**

This property is located in the Jahala Lake section just east of Lac La Ronge in northern Saskatchewan. It consists of 14 unpatented mining claims named V.I.P. 1 to 14 inclusive covering some 700 acres.

Access to the property is by aircraft to Jahala Lake from the town of La Ronge some 40 miles to the west. La Ronge is connected by an all-weather highway of 169 miles to the town of Prince Albert.

Ample timber and water is available on the ground. The nearest electric power is at La Ronge.

**Geology**

The claims are underlain by Keewatin intermediate lavas intruded by several northeast trending pegmatite dykes from 50 to 200 feet wide. These dykes are occasionally cross-fractured and the fractures are mineralized by irregular quartz veinlets and lenses, occasionally carrying erratic pitchblende. In addition fracture zones are found in the intruded lavas, near the pegmatites, which show radioactive anomalies.

**Development**

The property has been mapped geologically and a detailed scintillometer survey completed. Nine radioactive occurrences were located and a considerable amount of rock trenching was done to investigate these.

**Conclusions**

On one radioactive occurrence high grade pitchblende was found over narrow widths. However, deeper trenching showed the mineralization to be extremely erratic and no further work was done. The other anomalies were investigated but returned values too low to be of interest. No additional exploration is recommended.

**(C) FOSTER LAKE URANIUM PROPERTY**

**Location, etc.**

The property is located in the Foster Lake area of northern Saskatchewan, 100 miles north of the town of La Ronge (see B above). It consists of nine unpatented mining claims named L. M. Nos. 1 to 9 inclusive.



Access is by aircraft from La Ronge to the property. There is ample wood and water available but no reasonably near electric power.

### Geology

The rocks underlying the property consist of Keewatin intermediate lavas with some interbedded sediments intruded by masses of basic rock which have been altered to amphibolite. These older rocks have been intruded by several pegmatitic dykes. Radioactive anomalies have been located near some of these dykes.

### Development

The claims have been prospected and mapped geologically as well as being surveyed in detail by scintillometer. Two small anomalies were located and were investigated by stripping.

### Conclusion

The results of the preliminary prospecting of these claims were discouraging, and no further work can be recommended. The claims will be allowed to lapse.

## (D) BLACK CAP SILVER-LEAD PROPERTY

### Location, etc.

This property is located on Galena Hill in the Keno Hill area of the Yukon. It consists of five mining claims known as the Black Cap, Duchuck, Shepherd, Dot Fraction and O.K. Fraction.

Access is by road from the town of Mayo, 42 miles distant. Mayo is connected by 280 miles of all-weather road to the Alaska Highway near Whitehorse.

### Geology

The property is underlain by the main pre-Cambrian quartzite horizon of the area. This formation, some 3,500 feet thick crosses the property with an east strike and a 30° south dip. It is both overlain and underlain by graphitic slates.

Ore bodies in the area are found mainly in north striking transverse faults where they cut the main quartzite horizon and to a less extent in northeast trending faults where they intersect the same horizon. On the Black Cap property a strong north trending fault zone crosses the property and considerable evidence of lead-silver mineralization is found in shallow surface trenches. In addition, along the trend of the fault zone, some 6,000 feet north of the property, the Lucky Queen mine to 1930, produced 2,000,000 ounces of silver from rich ore bodies in the zone near the upper quartzite contact.

The exploration of the Black Cap property is an attempt to explore the fault zone across this property, in the favourable quartzite environment, for a duplication of the Lucky Queen ore bodies.

### Development

On surface a considerable number of shallow surface pits were sunk to determine the rock distribution and to localize the fault zone. Three pits were sunk on the fault structure on narrow high grade stringers of ore which was erratic in distribution.

Following this work a crosscut adit was driven 750 feet into the hill to intersect the fault. At 470 feet a fracture zone carrying narrow stringers of high grade was intersected with assays up to 570 ounces per ton in silver. Subsequently this fracture zone was followed 270 feet northward by drifting and continued to show erratic stringers of mineralization.

In April 1952 the surface plant was destroyed by fire and operations were suspended.

### Conclusions

The results of the underground exploration of the Lucky Queen fault zone, while showing no ore, have been encouraging and additional development along the zone northward is warranted.

Some 700 feet of drifting are necessary to explore the zone and it is recommended that this be done when conditions warrant. It is estimated that it will require \$70,000 to re-equip the property and do this work.

## (E) ALLGOLD GOLD PLACER PROPERTY

### Location, etc.

This property is located on Allgold creek, a tributary of the Klondike River emptying into it some 23 miles east of the town of Dawson, Yukon. It consists of 11 placer claims covering the lower reaches of the creek for a length of over 3 miles and named: Allgold Discovery and claims 1 to 10 inclusive above Discovery.

Access to the property is by all-weather road from the town of Dawson which, in turn is served by a branch of the Alaska Highway or by boat down the Yukon river from Whitehorse.

There is ample water on the property for placer operations but power will require diesel-electric generators.

### Geology

Throughout this area of the Klondike a number of famous creeks have supplied the basis for several rich placer operations. These creeks flow southerly into the Klondike River from a rounded, elevated area called the "Dome". The Dome is underlain by pre-Cambrian schists cut by numerous narrow quartz veinlets carrying low values in gold. It is from these low grade stringers that erosion and natural concentration in the creeks has formed the rich placer deposits. Allgold creek is the last major creek to be explored in the area.

### Development

In addition to several old "shafts", sunk through gravels about 1910, exploration has been by drilling. A total of 84 holes in a regular pattern has explored the creek valley and has shown a considerable yardage of workable material.



## Results

The results of the drilling show a definite quantity of 567,000 cubic yards of 64c per yard gravel and an additional possible yardage of over 500,000 cubic yards of similar grade in an area only partially explored.

Overall costs are conservatively estimated at under 40c per cubic yard.

## Conclusions

With the yardage of pay dirt already demonstrated, and the possible additional yardage indicated, the mining of the property is clearly to be recommended.

Recently the Company granted a lease on this property to Northern Placers Ltd. to mine the ore on the claims. The lease is for a ten year period and calls for a royalty of 10% of the value of all gold produced. Northern Placers Ltd. are currently moving equipment onto the property to strip the gravels this summer preparatory to production in 1956.

### (F) REICHERT URANIUM PROPERTY

#### Location, etc.

The property is located in northern Zealand township in the Kenora Mining division of Ontario. It consists of nine unpatented mining claims, nos. K. 20030 to 20038 inclusive.

Access to the property is by three miles of gravel road from the Trans Canada Highway at a point four miles east of the town of Dryden on the Canadian Pacific Railway. Dryden is a railway division and supply point 235 miles east of Winnipeg.

The property is partially wooded with timber of sufficient size for fuel but mostly too small for mine timbers. Ample water for preliminary development can be had from a small lake partly covered by the property. Electric power is available from the Dryden-Steeprock transmission line which crosses the claims.

#### Geology

The general geology of the area consists of a folded and faulted series of Keewatin age greenstones with interbedded sediments intruded by large batholithic masses of later Algoman granite, with numerous small outliers and many associated porphyry and pegmatite dykes.

The sediments and lavas form an east to northeast trending belt from 12 to 20 miles wide and upwards of 60 miles long stretching from Eagle Lake to beyond Sioux Lookout. In the western section of this belt a number of radioactive occurrences have recently been discovered and the whole section is now being intensively prospected.

These occurrences consist of carnotite, uranophane, and related uranium minerals, deposited along cracks and fractures in pegmatite dykes and lenses. In general the showings are quite wide, up to 50 feet, and some have been traced for several hundred feet along strike. Not enough sampling has been done as yet to determine grades but indications are that any orebodies developed will be between 0.08% and 0.15%. One significant feature is that the finds are usually associated with pegmatites rich in potash.

The Reichert property covers part of the sediment-lava belt, about 20 miles east of the main activity. The claims are unexplored but a number of potash rich pegmatites are known on the ground and considerable evidence of mineralization in the form of pyrite and beryl has been noted.

As no work has yet been done on the property it is proposed to map the claims geologically and to survey them with a geiger counter to locate any radioactivity present.

### (G) AGNEW LAKE URANIUM PROPERTY

#### Location, etc.

This property is located in Concessions III, IV, and V, lots 3, 4, 5 and 6, Porter township, about midway between Blind River and Sudbury. It consists of the following 35 unpatented mining claims:—

S.70668 to 70677 inclusive  
70683 to 70686 inclusive  
71204, 71205  
71451  
71455, 71456  
71589  
71594, 71596  
71599 to 71608 inclusive  
71613  
71615, 71616

The property lies about 9 miles northeast of McKerrow on the Canadian Pacific Railway, 42 miles west of Sudbury. Access is by aircraft to Whitefish Lake, ½ mile west of the claims. Whitefish Lake also provides an adequate water supply for any mining purpose and electric power is available at McKerrow.

#### Geology

The geology is similar to that of the Blind River area. This consists of a series of late pre-Cambrian sediments deposited unconformably on an early pre-Cambrian basement complex of granites, gneisses, schists, etc. The younger sediments are gently folded and occasionally sheared or fractured while the basement rocks are complexly distorted and altered.

In the Blind River area the orebodies are found in pebble-conglomerate beds on, or immediately above, the base of the later sedimentary series. In the Agnew Lake area the same series of late pre-Cambrian sediments are known to occur lying unconformably on a similar older pre-Cambrian basement complex. So far no major orebodies have been found in the latter locality but the geologic similarity between the two areas offers intriguing possibilities.

The DeCoursey-Brewis property is underlain by conglomerates and quartzites of the late pre-Cambrian sedimentary series and is thus favourably situated geologically.



## Development

The property has been mapped geologically and a detailed geiger survey has been completed. In addition a total of 1,434 feet of diamond drilling in three holes was done to investigate two radioactive anomalies located by the geiger survey.

## Results

The geiger survey indicated two surface areas of anomalous radioactivity in Bruce conglomerates in the northeastern section of the property. Surface sampling of leached, weathered material from these areas returned low values from 0.01 to 0.02%  $U_3O_8$  and it was felt that unleached material, some distance below surface might show uranium values of interest.

This possibility was explored by the drilling described above but the results were negative and the work was stopped.

## Recommendations:

No further work is recommended for this property at this time.

However, the property is in the general area, and along the structural trend, of the New Thurbois property in Hyman township where a number of ore-grade uranium intersections have been reported from diamond drilling. Presently the mineralization is being studied in this area and the results when available might indicate structures on the DeCoursey-Brewis ground worthy of exploration.

(SIGNED) G. L. HOLBROOKE

May 16, 1955

### Report on Alaska Mercury Properties of DeCOURSEY MOUNTAIN MINING CO. INC. KUSKOKWIM AREA

## Conclusion

The three properties controlled by this Company offer very intriguing possibilities of developing a highly profitable mercury production from a relatively small expenditure for exploration and development.

On the Red Devil property there is currently indicated the possibility of enough ore to provide a net profit more than sufficient to offset the cost of the proposed development programme.

If the programme is successful a highly profitable production at a 75 ton per day mining rate will be assured and the possibility of eventually attaining a 250 ton per day rate will be indicated.

The net profit implications in this operation are very large, from \$1,000,000 to \$6,000,000 annually, depending on the demonstration of ore continuity, the lower or higher production rate, and on the price of mercury, between the Government-supported \$3.00 per lb. price and the current price of \$4.25 per lb.

## SUMMARY

### Location, Access, Climate, Topography, etc.

The DeCoursey Mountain Mining Co. was incorporated in October, 1951, to acquire and develop three mercury properties in the lower Kuskokwim area of southwestern Alaska, some 250 air miles west of Anchorage.

Mercury sulphide, or cinnabar, has been known in the area since 1884, but only intermittent, small scale, operations were attempted prior to this Company's work.

Two of the properties, known as the Red Devil and the Willis properties, are located along the Kuskokwim River at latitude  $61^{\circ} 46'$  north and longitude  $157^{\circ} 20'$  west, 300 miles by water from the river mouth at the port of Bethel on the Bering Sea. The third property, known as the DeCoursey Mountain group, is located 40 miles to the northwest at latitude  $62^{\circ} 15' N$ , longitude  $158^{\circ} 10'$  west, and is 23 miles by tractor road from the Kuskokwim River at the village of Crooked Creek.

Access to the properties is by river barge from Bethel directly to the Red Devil and Willis properties, and by barge to Crooked Creek and thence by tractor to the DeCoursey Mountain group. Alternative access is by aircraft to landing strips on the Red Devil and DeCoursey Mountain properties.

The climate of the area is similar to that of the north central United States, being cool in summer with six-month-long winters, having a medium snowfall and temperatures from 0 to  $-40^{\circ}F$ . Annual precipitation is about 22 inches.

Ample timber and water for mine use are available at all three properties. Skilled labour is expensive but there is plenty of local, native labour capable of being trained.

Topographically, the properties lie in an area of swampy lowlands with tundra-covered plateaus and uplands. The larger streams originate in the uplands of the Alaska Range to the east and in the plateau area to the west. Taken as a whole the area is one of moderate relief with low, rounded mountains, plateaus, broad lowlands, lakes and rivers. On the Red Devil and Willis properties, the Kuskokwim River is about 280 feet above sea level and the rounded hills on the claims rise 250 to 300 feet above the river. The DeCoursey Mountain property lies along the top and southeast slope of the mountain between elevations 1,010 feet at the top and 450 feet at the base on Return Creek.

### PROPERTIES, TITLES, ETC.

The properties are described below. The lode claims are staked under the prevailing Apex law which provides unlimited protection down dip and the placer claims are held under the laws governing this type of claim. The titles and leases to all of the claims have been carefully searched and are all clear and in good order. This is confirmed by the Defense Mineral Exploration Administration loans received by the Company as such loans are not granted unless the titles are absolutely clear.

#### (i) Red Devil Property

The Red Devil property is located along the south bank of the Kuskokwim River, approximately 300 miles upstream from its mouth at the port of Bethel.

The property consists of nineteen unpatented mining claims of 20 acres each ( $1,500 \times 600$  feet). These claims adequately cover a 10,500 foot length of the ore-bearing zone under the Apex law, which automatically



protects the dip extension. The length of the claims is in a northwest direction and they consist of the following four contiguous groups.

The three Eurica claims—Nos. 1, 2, and 3;

The four Red Devil claims—Nos. 1, 2, 3, and 4;

The two Kosko claims—Nos. 1 and 2;

The ten Barometer claims—Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10.

On the Red Devil property the three Eurica claims, and the two Kosko claims are owned outright. Of the remainder, the four Red Devil claims are subject to a royalty of 10% of the return from any mercury produced therefrom, and on the ten Barometer claims, 8% of the return from any mercury produced.

#### (ii) Willis Property

The Willis property is located along the north shore of the Kuskokwim River some three miles downstream from the Red Devil group.

It consists of six, 20 acre mining claims known as the Headache, Relief, Buck, Jack, Hick, and Sam lodes. The claims are held under a ten year option payable \$5,000 per year.

#### (iii) The DeCoursey Mountain Property

The DeCoursey Mountain property is located about 40 miles northwest of the Red Devil claim on the ridge between two small creeks flowing westward into the Iditarod River. The lode property consists of the following nine unpatented mining claims:

Snow Bird claims Nos. 1, 2, 3, 4 and 5

Last Chance claims Nos. 1, 2 and 3.

Tunnel Lode claim No. 1

The Tunnel Lode claim is owned by the Company and the Snow Bird and Last Chance claims are being purchased under an agreement for sale.

In addition to the DeCoursey Mountain lode claims, the Company holds a lease on eight placer claims partly overlapping the lode property and covering interesting mercury placer possibilities for a length of 12,000 feet. These claims are subject to a royalty of 12½% of the proceeds of all mercury produced therefrom. The placer claims are recorded as Discovery, one below Discovery, Helen, William, Retort, Bedrock, Outcrop, and Dome.

### GEOLOGY

#### (i) Red Devil—Willis Area

In the Red Devil - Willis section, the underlying geology consists of a broad anticline of Cretaceous shales, greywackes and quartzites with the axial plane of the folding trending northwest under the Kuskokwim River between the two properties. The plunge is believed to be about 45° southeast. Thin sill-like bodies of andesitic rock have been intruded into the sediments and are now found as a series of lenses, 4 to 20 feet wide and 100 to 500 feet long, arranged "en echelon" to the left. The zone of the lenses trends northwest and dips 55° southwest on the Red Devil and on the Willis is parallel in strike but dips 56° northeast. On the Red Devil the zone extends the full 10,500 foot length of the property.

In this area a widespread cinnabar-stibnite mineralization is found associated with some or all of the andesitic lenses. It occurs as small veins and stringers of these minerals with some quartz and calcite following fracture zones along, and near, the hanging wall contacts of the intrusive lenses. Ore shoots are formed from one or more of these veins and stringers, are usually from 3 to 6 feet wide by 20 to 40 feet long, and are known for at least 200 feet down the dip. The largest orebody opened to date is the Red Devil "C" shoot which is 175 feet long by 8 to 10 feet wide and grades 1½% mercury with a like amount of antimony. The orebodies plunge to the southeast at 45° apparently in conformity with the folding.

#### (ii) DeCoursey Mountain Area

The DeCoursey Mountain area is underlain by a similar series of Cretaceous sediments which strike from north to northeast and dip westerly from 50° to 70°. They are intruded by diabase porphyry sills and dykes from a few feet to 700 feet wide and traceable for several hundred feet on strike. The diabase is hydrothermally altered by silica and carbonate, particularly near the ore zones.

The DeCoursey Mountain orebodies are composed of one or more, nearly massive, small cinnabar veins and lenses from a few inches to two feet wide. They are localized in shaley beds, in much fractured diabase and adjacent sediments, and along diabase sediment contacts. There is very little antimony or arsenic in these ores. The known orebodies are distributed in two systems across the property. The Western system trends from N04° to N20°E across the western part of the ground for a length of over 1,000 feet and across a vertical range of 210 feet. It dips east from 50° to 85° and is composed of five separated ore shoots. The most important is the "Upper Vein zone" which trends N20°E and dips steeply to the east with an apparent 28° south plunge. The size of this shoot is 90 feet long by 30 feet wide and the grade about 1½% mercury. Four other ore shoots are known in the west system but they are all considerably smaller and are scattered along the 1,000 foot length explored. The other system is known as the "A" vein system and is roughly parallel and lies some 1,300 feet southeast of the west system and is exposed for a length of 150 feet by trenching.

### DEVELOPMENT

Except for a limited amount of surface trenching and shallow tunnel work on the DeCoursey Mountain and Willis properties, practically all of the development is on the Red Devil property.

#### (i) Red Devil Property

Here the 10,500 foot long favourable zone has been trenched in two widely separated sections on surface. One section, called the shaft section, is 950 feet long on the Red Devil No. 1 claim and has been explored by 19 trenches from 30 to 350 feet apart. The other section, known as the Barometer section, lies some 4,800 feet to the northwest and has been cross trenched for a zone length of 600 feet.

Underground work has explored a 600 foot length of the shaft section to a depth of 200 feet. The underground work consists of a 6 x 12 foot shaft inclined at 63° sunk 230 feet from the collar at elevation 308 feet. Three levels are established at depths of 38, 77 and 165 feet. On these levels there are respectively 306, 390, and 912 feet of lateral work. In addition early operators drove two tunnels at elevations 311 and 325



with 180 and 1,033 feet of lateral work respectively. The total underground work thus amounts to 2,821 feet at five horizons over a vertical range of 182 feet.

Currently the shaft is being deepened to establish a new, third, level 150 feet vertically below the old bottom level from which to explore for the downward continuation of the indicated orebodies.

#### (ii) Willis Property

Development on this property consist of 29 surface trenches which explore a 1,800 foot length of the mineralized zone. There are also two old shallow tunnels which give limited access to the zone.

#### (iii) DeCoursey Mountain Property

Work on the DeCoursey Mountain property consists of surface pits and trenches along an 1,825 foot length of the western vein system and 360 feet of the "A" vein system. Three adits explore the west vein system with an aggregate footage of 1,320 feet, while two other adits totalling 400 feet were driven towards the "A" vein.

The only development on the placer property consists of prospecting and a very limited amount of test pitting near the surface lode workings.

### PRODUCTION

Production from the area had been small and intermittent until the present Company began operations in January 1954.

The Red Devil property has produced a total of 3,032 flasks or 230,432 lbs. of mercury to date. The DeCoursey Mountain lode property has produced 800 flasks or 61,800 lbs., while the placer property is verbally reported to have produced "several thousand pounds of mercury". There is no production reported for the Willis property.

### OREBODIES

#### (i) Red Devil

On the Red Devil property seven lenses of mineralization have been found by surface trenching in the shaft section and are named alphabetically from A to G. Lenses D and F are weak, but the remainder are mineable. In addition to the shaft section which is 950 feet long, a second 600 foot long trenched section 4,800 feet to the northwest shows evidence of mineralization and a considerable quantity of large cinnabar float has been found at at least three other localities along the length of the zone.

Underground work has developed a 600 foot length of zone below the shaft section. In this length the A and B lenses have been mined out to the 2nd or bottom level and the "C" ore shoot has just recently been opened up on the 2nd level. The remaining surface-indicated lenses have not yet been reached underground.

The A and B orebodies are small lenses about three feet wide by 30 feet long. Their grade and sizes, as shown by recent mining from the 2nd to the 1st levels, are respectively 10 tons per vertical foot of 55 lb. per ton ore, and 9 tons per vertical foot of 75 lb. per ton ore.

The "C" ore shoot is developed on the second level where it shows a length of 175 feet and a width of at least 8 feet for 140 tons per vertical foot. Grade, determined from the furnacing of the drift muck, is indicated at 26 lbs. per ton. The only other development on this lense is in the old adit at elevation 325 feet, or 182 feet above the 2nd level. Here the orebody was mined through to surface, a distance of 30 feet.

The channel sampling by the present management of the available openings on this orebody returned an average of 30.6 pounds of mercury per ton across 4.2 feet of the footwall section for a length of 65 feet in a sublevel 25 feet above the 2nd or bottom level.

Thus, the developed length of zone on the Red Devil, which is only 600 feet long, has shown an aggregate of 160 tons per vertical foot of 30 lb. per ton ore, across a vertical range of 182 feet.

This is sufficient to support a 75 ton per day operation if the downward continuation of the ore can be demonstrated by the development now being done.

In addition, there is a reasonable possibility that the thorough exploration of the remaining 9,900 feet of favourable zone on the property will yield additional orebodies, possibly enough to aggregate 500 tons per vertical foot or enough to support a 250 ton per day operation.

#### (ii) DeCoursey Mountain

On this property the upper vein orebody on surface has a length of 90 feet, a width of 30 feet and grades 30 lbs. per ton for 270 tons per vertical foot. The Lyman tunnel, 200 feet below the outcrop, failed to locate this ore but recent work in 1954 by the present Company indicates that the adit passed just under the ore shoot on its apparent 28° southerly plunge. More work is needed to confirm this.

The Tunnel orebody lies a short distance south and west of the Upper Vein body in the western vein system. It shows on surface as 200 feet long by three feet wide, and grades about 30 lbs. per ton for 60 tons per vertical foot. This ore was not found in the Lyman tunnel 100 feet below the outcrop, but here too the adit is probably beneath the plunge of the ore shoot.

The Retort and the DeCoursey veins also belong to the west vein system but have not been sufficiently explored to allow any estimate of their possibilities. The "A" vein is also in this category.

Thus, while no ore is definitely shown on this property there is an indicated possibility of an aggregate 350 tons per vertical foot of 30 lb. per ton ore in the Upper Tunnel, and other veins.

#### (iii) Willis Property

No orebodies are outlined on this property but there is ample evidence of cinnabar mineralization under favourable conditions and exploration is warranted.

### ORE RESERVES AND PROFIT POSSIBILITIES

There are no proven ore reserves on any of the Company's properties but the numerous important indications, as described above, could rapidly develop proven ore as the current programme progresses.

As noted above, the Willis Property warrants exploration and there is a possibility on the DeCoursey Mountain group that 350 tons per vertical foot of 30 lb. ore could be shown by additional development.



However, the only place where any reasonable ore reserves and profit indications can be discussed is the shaft section of the Red Devil ground. Here the underground work has indicated the possibility of 160 tons per vertical foot of 30 lb. ore in a 600 foot length of zone and over a 182 foot vertical range. If downward continuation can be proved a 75 ton per day operation is warranted.

Conservative estimates by several engineers amount to \$30.00 per ton for operating costs. To this must be added \$10.00 per ton royalties, and a further \$10.00 per ton depreciation to make a total cost before taxes of \$50.00 per ton.

At 75 tons per day and \$50.00 per ton costs, 30 lb. ore with a 90% recovery would, at the \$3.00 per lb. Government guaranteed price, return a net annual profit of \$850,000. At the current \$4.25 per lb. price, the yearly profit would amount to \$1,735,000.

If the 250 ton per day rate were eventually realized, the annual net profit would be \$3,000,000 at \$3.00 per lb., or \$6,840,000 at \$4.25 per lb.

The only immediately available possible ore is the "C" orebody on the 2nd level. This amounts to 140 tons per vertical foot of 30 lb. ore and could have a vertical range of 182 feet. At \$3.00 per lb. and 90% recovery, the net indicated profit in this ore shoot would be \$770,000, or more than enough to offset the cost of the proposed exploration and development programme on all three properties.

### EQUIPMENT

The principal equipment is on the Red Devil property. Here camp and cooking accommodation is adequate for 30 men and additional facilities are now being constructed. Electric power is supplied by a 100 KVA diesel generator and negotiations are practically concluded for the purchase of a similar 600 KVA unit. Compressed air is supplied by a 600 cubic foot per minute gyro-flow compressor. The necessary hoist, pumps, drills, motors, etc., are all on hand for underground operation.

The Company owns a diesel-driven, welded steel, oil tanker for river transport. This vessel carries 25,000 gallons of oil or a deck load of 110 tons. A 120,000 gallon, steel, oil storage tank is on the property. For emergencies and light freighting the Company also owns a Cessna 180 aircraft.

There is no equipment on the Willis property but on the DeCoursey Mountain claims there is one large tractor for surface work. In addition, underground equipment consists of a 210 cu. ft. diesel driven compressor plus the usual drill, track, pipe, etc. Camp accommodation is adequate for 15 men.

### RECOMMENDATIONS

Currently a programme of exploration and development is under way at the Red Devil property. This consists of deepening the shaft to establish a new, third, level 150 feet vertically below the present bottom level. On the new level 1,500 feet of lateral work and 500 feet of raising is planned to explore the downward continuation of the indicated orebodies. If this work is successful a second new level, the fourth, is planned 150 feet below the third level.

In addition, it is proposed to explore the full length of the mineralized zone across the property on surface by geochemical survey and trenching during the coming summer.

The projected work for the DeCoursey Mountain properties consists of a detailed sampling of the placer property and the underground exploration of the Upper Vein orebody from the Lyman tunnel. This work will start as soon as weather conditions permit.

A limited amount of trenching and sampling is planned for the Willis claims.

It is recommended that the above programmes be carried out. The estimated cost of the work is \$725,000.

(SIGNED) G. L. HOLBROOKE

May 16, 1955

### CERTIFICATE

I G. L. Holbrooke, of the City of Toronto, in the Province of Ontario, do hereby certify as follows:

1. That I am a Consulting Geologist and a member of the Association of Professional Engineers of Ontario.
2. That I am a graduate of McGill University with degrees of B.Sc. and M.Sc., and have been practising my profession for twenty-eight years.
3. That the accompanying reports are based on detailed studies of the data in the companies' records, on published reports of the United States Geological Survey, and on numerous visits to all of the properties while the exploration work was in progress.
4. That I have no direct or indirect interest whatsoever in the properties or securities of the companies, nor do I expect to receive any such interest.

DATED this 16th day of May, 1955.

(SIGNED) G. L. HOLBROOKE, Consulting Geologist.



**DeCOURSEY-BREWIS MINERALS LIMITED**  
(Incorporated under the laws of the Province of Ontario)  
and its Subsidiary

**DeCOURSEY MOUNTAIN MINING COMPANY, INC.**  
(Incorporated under the laws of the Territory of Alaska)

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**CONSOLIDATED BALANCE SHEET**

31st March, 1955

**A S S E T S**

**CURRENT ASSETS**

Cash in Banks .....	\$ 57,728.61
Accounts Receivable .....	31,585.61
Inventory of Materials and Supplies, at cost and estimated cost as determined by the Management .....	36,055.96
Prepaid Charges .....	1,677.63
	\$ 127,047.81

**FIXED ASSETS, at cost**

Buildings .....	\$ 30,084.73
Machinery and Equipment .....	194,162.21
	\$ 224,246.94
Less: Accumulated Depreciation .....	23,703.33
	\$ 200,543.61
Mining Claims and Options, per Statement herewith .....	415,786.23
	616,329.84

**OTHER ASSETS**

Unlisted Shares of Other Companies, at book value .....	\$ 13,100.00
Exploration Expenditure, per Statement herewith .....	193,288.09
Preliminary Development, Administrative Costs and Other Charges, per Statement herewith .....	461,406.16
	667,794.25

**EXCESS OF COST TO PARENT COMPANY over book value of Capital Stock of Subsidiary Company .....**

177,758.50

<b>ORGANIZATION EXPENSE .....</b>	<b>19,186.87</b>
	<b>\$ 1,608,117.27</b>

To the President and Directors,  
DeCoursey-Brewis Minerals Limited,  
Toronto, Ontario.

We have examined the Consolidated Balance Sheet of DeCOURSEY-BREWIS MINERALS LIMITED and its Subsidiary, DeCOURSEY MOUNTAIN MINING COMPANY, INC. as at 31st March, 1955, together with the accompanying related Statements for the period from dates of Incorporation to 31st March, 1955, and have obtained all the information and explanations we have required. Our examination of the accounts of DeCoursey-Brewis Minerals Limited included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The accounts of DeCoursey Mountain Mining Company, Inc., the Company's Subsidiary, have been consolidated with those of DeCoursey-Brewis Minerals Limited on the basis of financial statements submitted by the auditors of the Subsidiary Company.

The attached Consolidated Balance Sheet and related Statements have been expressed in Canadian currency at par of exchange.

In our opinion, the accompanying Consolidated Balance Sheet and related Statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as at 31st March, 1955, and the results of their operations for the period then ended, according to the best of our information, the explanations given to us and as shown by the books of the Companies.

Toronto, 8th June, 1955.

(SIGNED) McDONALD, NICHOLSON & CO.,  
Chartered Accountants.



## LIABILITIES

### CURRENT LIABILITIES

Accounts Payable and Accrued Charges .....	\$	52,950.16	
Accrued Social Security Taxes and Unemployment Insurance .....		3,908.81	
Payments under Contracts due within one year .....		14,470.45	
		<u>          </u>	\$ 71,329.42

### LONG TERM LIABILITIES

Advances to Subsidiary Company from Defence Minerals Exploration Administration .....	\$	74,368.62	
Payments under Contracts due after 31st March, 1956 .....		31,111.12	
		<u>          </u>	105,479.74
EXCHANGE ADJUSTMENT on U.S. Funds advanced to Subsidiary Company .....			7,950.04
RESERVE FOR REPLACEMENT, Fire Loss .....			26,577.79

### CAPITAL

#### Capital Stock

Authorized 3,500,000 shares of par value \$1.00 each .....	<u>\$ 3,500,000.00</u>	
Issued and Fully Paid 1,787,500 shares, per Statement herewith .....	\$ 1,547,500.00	
Surplus arising from Reorganization of Capital Structure .....	43,066.05	
	<u>          </u>	\$ 1,590,566.05

#### Deduct:

Exploration Account balance at debit, per Statement herewith.....	\$ 38,923.81		
Operating Deficit of Subsidiary Company, per Statement herewith .....	154,861.96		
	<u>  </u>		

The accompanying Notes are an integral part of this Statement.

Approved on behalf of the Board,

(SIGNED) A. W. WHITE, Director

(SIGNED) D. F. BURT, Director

- NOTES: (1) In the Indenture pursuant to which the Stock Purchase Warrants attaching to the 6% Sinking Fund Debentures will be issued, the Company will covenant to reserve out of its authorized capital stock 800,000 shares to be issued to the warrant holders and to the underwriters of the 6% Sinking Fund Debentures upon the exercise by them of their rights to subscribe as provided by the Stock Purchase Warrants.
- (2) In the Trust Indenture under which the 6% Sinking Fund Debentures will be issued, the Company will covenant not to declare or pay dividends on its capital stock so long as any of the Debentures remain outstanding.
- (3) Future payments not reflected in the attached Balance Sheet, under Options to purchase Mining Claims will, if exercised in full, total \$158,800.00.
- (4) Capital commitments outstanding not reflected in the attached Balance Sheet are estimated at approximately \$50,000.00.
- (5) Under the terms of an Agreement dated 22nd April, 1955, DeCoursey-Brewis Minerals Limited obtained a firm commitment for the sale of 200,000 shares of its unissued Capital Stock for the sum of \$160,000.00. These shares have since been paid for in full.



# **CONSOLIDATED STATEMENT OF MINING CLAIMS AND OPTIONS**

31st March, 1955

17 Patented Mining Claims acquired by the issue of 1,200,000 shares at 10 cents per share of the Capital Stock of Brewis Red Lake Mines Limited .....	\$ 120,000.00	
and payment of cash .....	1,328.55	
		\$ 121,328.55
14 Unpatented Mining Claims acquired by the issue of 50,000 shares at 15 cents per share of the Capital Stock of Brewis Red Lake Mines Limited .....	\$ 7,500.00	
and payment of cash .....	6,000.00	
		\$ 13,500.00
7 Unpatented Mining Claims acquired under option by the issue of 200,000 shares at 10 cents per share of the Capital Stock of Brewis Red Lake Mines Limited .....	\$ 20,000.00	
and payment of cash to date .....	48,432.28	
		68,432.28
48 Unpatented Mining Claims acquired by the payment of cash .....		47,525.40
6 Unpatented Mining Claims acquired under option by the payment of cash to date .....		5,000.00
		134,457.68
44 Unpatented Mining Claims acquired by the issue of 200,000 shares at 80 cents per share of the Capital Stock of DeCoursey-Brewis Minerals Limited .....		160,000.00
		<u>\$ 415,786.23</u>

## **CONSOLIDATED STATEMENT OF EXPLORATION EXPENDITURE**

For the period from dates of Incorporation (30th August, 1945  
and 22nd October, 1951) to 31st March, 1955

### **EXPLORATION EXPENSES**

Engineering and Technical Services .....	\$ 17,915.97
Fees and Licenses .....	670.97
Miscellaneous Field Expenses .....	47,930.22
Travelling and Transportation .....	17,410.06
Wages and Supplies .....	108,915.27
	<u>\$ 192,842.49</u>

### **INDIRECT EXPENSES**

Bank Charges .....	\$ 100.00
Legal Fees .....	166.80
Telephone and Telegraph .....	178.80
	<u>445.60</u>

BALANCE, at debit, 31st March, 1955 .....	<u>\$ 193,288.09</u>
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## **CONSOLIDATED STATEMENT OF PRELIMINARY DEVELOPMENT, ADMINISTRATIVE COSTS AND OTHER CHARGES**

For the period from dates of Incorporation (30th August, 1945  
and 22nd October, 1951) to 31st March, 1955

### **DEVELOPMENT EXPENSE**

Wages and Salaries .....	\$ 184,118.02
Diamond Drilling .....	76,293.64
Mine and Camp General .....	173,693.31
Depreciation Provided .....	26,769.49
	<u>\$ 460,874.46</u>

### **HEAD OFFICE ADMINISTRATION AND GENERAL EXPENSE**

Salaries .....	\$ 19,920.56
Head Office Maintenance .....	3,600.00
Office Supplies and Expense .....	5,900.68
Legal and Accounting .....	9,147.91
Travel Expense .....	26,641.68
Interest and Bank Charges .....	4,149.16
Insurance .....	10,204.28
Taxes and Licenses .....	4,930.88
Transfer Agent's Fees .....	5,717.73
Miscellaneous .....	4,004.95
	<u>94,217.83</u>

\$ 555,092.29

Less: Sales of Mercury .....	\$ 8,384.44
Miscellaneous Income .....	2,510.33
	<u>10,894.77</u>

\$ 544,197.52

Deduct: Amount charged to Operations .....	82,791.36
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BALANCE, 31st March, 1955 .....	<u>\$ 461,406.16</u>
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# STATEMENT OF CAPITAL STOCK

## ISSUED AND FULLY PAID

31st March, 1955

	Number of Shares	Par Value	Discount	Net
Issued and Fully Paid 31st December, 1954 .....	4,700,000	\$ 4,700,000.00	\$ 4,069,433.95	\$ 630,566.05
Pro Rata Reduction, 21st January, 1955 .....	4,112,500	4,112,500.00	4,069,433.95	43,066.05
	<u>587,500</u>	<u>\$ 587,500.00</u>	<u>\$ —</u>	<u>\$ 587,500.00</u>
Shares issued during the period				
For Cash .....	400,000	400,000.00	80,000.00	320,000.00
For Mining Properties .....	200,000	200,000.00	40,000.00	160,000.00
For Shares of Subsidiary Company .....	600,000	600,000.00	120,000.00	480,000.00
	<u>1,787,500</u>	<u>\$ 1,787,500.00</u>	<u>\$ 240,000.00</u>	<u>\$ 1,547,500.00</u>
Balance, 31st March, 1955 .....				

## CONSOLIDATED EXPLORATION ACCOUNT

For the period from dates of Incorporation (30th August, 1945  
and 22nd October, 1951) to 31st March, 1955

### EXPLORATION EXPENSES

Licenses and Recording Fees .....	\$ 174.40	
Miscellaneous .....	40.93	
Option Payments .....	1,800.00	
Sundry Field Expenses .....	4,242.19	
Technical Services .....	5,949.19	
Travelling .....	4,548.03	
	<u>\$</u>	<u>16,754.74</u>

### INDIRECT EXPENSES

Advertising .....	\$ 1,489.15	
Annual Meeting Expense .....	307.30	
Head Office Maintenance .....	9,900.00	
Legal and Accounting Fees .....	3,428.61	
Printing, Stationery and Office Expense .....	3,599.20	
Share Issue Expense .....	2,177.09	
Transfer Agents' Fees and Expenses .....	4,925.46	
Travelling .....	3,112.34	
	<u>\$</u>	<u>28,939.15</u>

\$ 45,693.89

*Deduct:* Investment and Other Income ..... 6,770.08

BALANCE, at debit, comprising amounts written off to 31st March, 1955 ..... \$ 38,923.81

## STATEMENT OF OPERATIONS

For the period from dates of Incorporation (30th August, 1945  
and 22nd October, 1951) to 31st March, 1955

(Comprising the Operations of the Red Devil Mine  
for the year ended 31st October, 1954)

### REVENUE

Sales of Refined Mercury .....	\$ 244,098.32	
Miscellaneous .....	8,153.13	
	<u>\$</u>	<u>252,251.45</u>

### EXPENDITURE

Wages and Salaries .....	\$ 138,466.51	
Mine and Camp General .....	79,276.61	
Royalties and Selling .....	38,869.93	
Head Office Administration and General .....	55,879.22	
	<u>\$</u>	<u>312,492.27</u>
Depreciation provided .....	11,829.78	
Amortization of Deferred Development Expense .....	82,791.36	
	<u>\$</u>	<u>407,113.41</u>

OPERATING DEFICIT for the year ended 31st October, 1954 ..... \$ 154,861.96



# DeCOURSEY MOUNTAIN MINING COMPANY, INC.

(Incorporated under the laws of the Territory of Alaska)

## BALANCE SHEET

as at March 31, 1955

(Expressed in United States Currency)

### ASSETS

#### CURRENT:

Cash in bank .....	\$	52,567.42	
Accounts receivable .....		22,908.15	
Inventory of materials and supplies at cost and estimated cost as determined by the management .....		36,055.96	
Prepayments .....		1,525.53	
			\$ 113,057.06

#### FIXED:

Mining claims .....	\$	17,000.00	
Buildings .....	\$	25,951.83	
Less: accumulated depreciation .....		2,150.22	
			23,801.61
Machinery and equipment .....	\$	183,013.98	
Less: accumulated depreciation .....		21,553.11	
			161,460.87
			202,262.48

#### DEFERRED EXPLORATION EXPENSE:

DeCoursey Mine .....	\$	66,153.54	
Red Devil Mine—per statement attached .....	\$	334,241.27	
Less: amount charged to operations .....		82,791.36	
			251,449.91
			317,603.45

#### OTHER:

Organization expense .....			14,049.26
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Note: 1. Future payments, not reflected in the above balance sheet, under options to purchase mining claims, would, if exercised in full, total \$45,000.00.

2. Capital commitments outstanding not reflected in the above Balance Sheet are estimated at approximately \$50,000.00.

\$ 646,972.25

### LIABILITIES

#### CURRENT:

Accounts payable and accrued charges .....	\$	29,155.92	
Accrued social security taxes and unemployment insurance .....		3,908.81	
			33,064.73
Payments under contracts due within one year .....		14,470.45	
			\$ 47,535.18

#### ADVANCES FROM PARENT COMPANY:

DeCoursey-Brewis Minerals Limited .....			320,000.00
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#### LONG TERM LIABILITIES:

D.M.E.A. advances—			
DeCoursey Mine .....	\$	26,154.38	
Red Devil Mine .....		59,671.59	
	\$	85,825.97	
Less: amounts repaid .....		11,457.35	
			\$ 74,368.62
Contracts payable .....		31,111.12	
			105,479.74
			26,577.79

#### RESERVE FOR REPLACEMENT—FIRE LOSS .....

#### CAPITAL AND DEFICIT:

##### Capital

Authorized, issued and fully paid, 300,000 shares having a par value of \$1.00 each .....	\$	300,000.00	
Premium from sale of Capital Stock .....		2,241.50	
			\$ 302,241.50

##### Deficit

Balance October 31, 1954—no change since .....		154,861.96	
			147,379.54

\$ 646,972.25

Approved on behalf of the Board,

(SIGNED) G. L. HOLBROOKE, Director

(SIGNED) L. W. McILMURRAY, Director

To be read with my report dated June 3rd, 1955 attached.

To the President and Directors,  
DeCoursey Mountain Mining Company, Inc.,

I have examined the Balance Sheet of DeCOURSEY MOUNTAIN MINING COMPANY, INC., as at March 31, 1955, and related statement of Exploration, Administrative and Other Expenses for the period November 1, 1954, to March 31, 1955. My examination was made in accordance with generally accepted auditing practices and included all tests of the Company's records and supporting evidence considered necessary in the circumstances.

I report that, in my opinion, the accompanying Balance Sheet and Statement of Exploration, Administrative and Other Expenses present a true and correct view of the financial position of the Company at March 31, 1955, and the results of its operations for the period November 1, 1954, to March 31, 1955.

Toronto, Canada,  
June 3rd, 1955.

(SIGNED) H. R. HEARD,  
Chartered Accountant



# STATEMENT OF EXPLORATION, ADMINISTRATIVE AND OTHER EXPENSES

for the period November 1, 1954 to March 31, 1955

(Expressed in United States Currency)

## UNDERGROUND:

### Shaft Preparation including Dewatering:

Wages .....	\$	2,844.08	
Supplies .....		1,474.91	
Maintenance of equipment .....		65.58	
Compensation insurance .....		90.76	
Social security and Unemployment insurance .....		75.57	
		<u>          </u>	\$ 4,550.90

### Shaft Sinking:

Labour .....	\$	7,406.05	
Supplies .....		6,374.54	
Maintenance of equipment .....		262.32	
Compensation insurance .....		363.06	
Social security and unemployment insurance .....		261.47	
Hoisting .....		784.26	
		<u>          </u>	15,451.70
Supervision .....			4,000.00
Professional services .....			2,202.48
			<u>          </u> \$ 26,205.08

## SURFACE:

### Surface Operations and Camp Maintenance

Labour .....	\$	10,230.61	
Supplies .....		24,625.01	
Supervision .....		4,290.01	
Insurance .....		3,082.81	
Operation and maintenance of equipment .....		5,603.39	
Compensation insurance .....		1,361.50	
Social security and unemployment insurance .....		1,174.61	
Service shops .....		955.91	
Cookery and commissary—net .....		2,791.63	
Miscellaneous .....		433.43	
		<u>          </u>	54,548.91

## ADMINISTRATIVE:

Salaries .....	\$	3,693.56	
Office supplies and expense .....		1,933.55	
Legal and accounting .....		2,690.66	
Travel expense .....		10,380.30	
Interest and bank charges .....		2,387.17	
Miscellaneous .....		527.36	
		<u>          </u>	21,612.60

\$ 102,366.59

Cash discount earned ..... 390.71

\$ 101,975.88

Cost of marketing metal on hand at October 31, 1954 ..... 920.43

Loss on sale of typewriter ..... 10.65

\$ 102,906.96

Balance October 31, 1954 ..... 231,334.31

Balance March 31, 1955 ..... \$ 334,241.27



**DeCOURSEY-BREWIS MINERALS LIMITED**  
(Incorporated under the laws of the Province of Ontario)

**BALANCE SHEET**

31st March, 1955

**A S S E T S**

**CURRENT ASSETS**

Cash in Banks .....	\$ 5,161.19	
Accounts Receivable .....	8,677.46	
Prepaid Charges .....	152.10	
		\$ 13,990.75

**ADVANCES TO DeCOURSEY MOUNTAIN MINING COMPANY INC.**

(\$320,000.00 U.S. Funds) .....		312,049.96
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**FIXED ASSETS, at cost**

Machinery and Equipment .....	\$ 11,148.23	
Buildings .....	4,132.90	
Mining Claims and Options, per Statement herewith .....	398,786.23	
Preliminary Development, Administrative Costs and Other Charges per Statement herewith .....	143,802.71	
		557,870.07

**OTHER ASSETS**

Interest in Outside Mining Companies and Mining Properties, at cost, less amounts written off		
Shares in Mining Company .....	\$ 11,100.00	
Exploration Expenditure, per Statement herewith .....	193,288.09	
		\$ 204,388.09
Shares of Subsidiary Company, DeCoursey Mountain Mining Com- pany Inc., at cost .....	480,000.00	
Shares of Dickrow Contracting Company, Limited, at book value .....	2,000.00	
		686,388.09

ORGANIZATION EXPENSE .....		5,137.61
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\$ 1,575,436.48

**L I A B I L I T I E S**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Charges .....	\$ 23,794.24
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**CAPITAL**

Capital Stock	
Authorized 3,500,000 shares of par value \$1.00 each .....	<u>\$ 3,500,000.00</u>
Issued and Fully Paid, 1,787,500 shares per Statement herewith .....	\$ 1,547,500.00
Surplus arising from Reorganization of Capital Structure .....	43,066.05
	\$ 1,590,566.05
Exploration Account, at debit, per Statement herewith .....	38,923.81
	1,551,642.24
	<u>\$ 1,575,436.48</u>

The accompanying Notes are an integral part of this Statement.

Approved on behalf of the Board,

(SIGNED) A. W. WHITE, Director

(SIGNED) D. F. BURT, Director

- NOTES: (1) In the Indenture pursuant to which the Stock Purchase Warrants attaching to the 6% Sinking Fund Debentures will be issued, the Company will covenant to reserve out of its authorized capital stock 800,000 shares to be issued to the warrant holders and to the underwriters of the 6% Sinking Fund Debentures upon the exercise by them of their rights to subscribe as provided by the Stock Purchase Warrants.
- (2) In the Trust Indenture under which the 6% Sinking Fund Debentures will be issued, the Company will covenant not to declare or pay dividends on its capital stock so long as any of the Debentures remain outstanding.
- (3) Future payments not reflected in the attached Balance Sheet, under Options to purchase Mining Claims, will, if exercised in full, total \$113,800.00.
- (4) Under the terms of an Agreement dated 22nd April, 1955, the Company obtained a firm commitment for the sale of 200,000 shares of its unissued Capital Stock for the sum of \$160,000.00. These shares have since been paid for in full.

To the President and Directors,  
DeCoursey-Brewis Minerals Limited,  
Toronto, Ontario.

We have examined the books and accounts of DeCOURSEY-BREWIS MINERALS LIMITED for the three months ended 31st March, 1955, and have received all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We report that in our opinion, the accompanying Balance Sheet and related Statement of Exploration Expenditure and Exploration Account are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company at 31st March, 1955, and the results of its operations for the period then ended, according to the best of our information, the explanations given to us and as shown by the books of the Company.

(SIGNED) McDONALD, NICHOLSON & CO.,  
Chartered Accountants.

Toronto, 8th June, 1955.



## STATEMENT OF MINING CLAIMS AND OPTIONS

31st March, 1955

17 Patented Mining Claims acquired by the issue of 1,200,000 shares at 10 cents per share of the Capital Stock of Brewis Red Lake Mines Limited .....	\$ 120,000.00	
and payment of cash .....	1,328.55	
		\$ 121,328.55
14 Unpatented Mining Claims acquired by the issue of 50,000 shares at 15 cents per share of the Capital Stock of Brewis Red Lake Mines Limited .....	\$ 7,500.00	
and payment of cash .....	6,000.00	
		\$ 13,500.00
7 Unpatented Mining Claims acquired under option by the issue of 200,000 shares at 10 cents per share of the Capital Stock of Brewis Red Lake Mines Limited .....	\$ 20,000.00	
and payment of cash to date .....	48,432.28	
		68,432.28
20 Unpatented Mining Claims acquired by the payment of cash .....		35,525.40
44 Unpatented Mining Claims acquired by the issue of 200,000 shares at 80 cents per share of the Capital Stock of DeCoursey-Brewis Minerals Limited .....	160,000.00	
		277,457.68
		<u>\$ 398,786.23</u>

## STATEMENT OF EXPLORATION EXPENDITURE

For the three months ended 31st March, 1955

Loss on Disposal of Equipment .....	\$ 1,396.00
Miscellaneous .....	406.80
Technical Services .....	712.50
Travel and Transportation .....	999.02
	<u>\$ 3,514.32</u>
<i>Less:</i> Amounts recovered from DeCoursey Mountain Mining Company Inc. ....	2,628.99
	<u>\$ 885.33</u>
Balance, 31st December, 1954 .....	\$ 309,860.44
<i>Less:</i> Property Purchase and Option Payments transferred to Statement of Mining Claims .....	117,457.68
	<u>192,402.76</u>
Balance, 31st March, 1955 .....	<u>\$ 193,288.09</u>

## STATEMENT OF PRELIMINARY DEVELOPMENT, ADMINISTRATIVE COSTS AND OTHER CHARGES

For the three months ended 31st March, 1955

BALANCE, 31st December, 1954 .....	\$ 143,802.71
BALANCE, 31st March, 1955 .....	<u>\$ 143,802.71</u>

## STATEMENT OF CAPITAL STOCK ISSUED AND FULLY PAID

31st March, 1955

	Number of Shares	Par Value	Discount	Net
Issued and Fully Paid 31st December, 1954 .....	4,700,000	\$ 4,700,000.00	\$ 4,069,433.95	\$ 630,566.05
Pro Rata Reduction, 21st January, 1955 .....	4,112,500	4,112,500.00	4,069,433.95	43,066.05
	587,500	\$ 587,500.00	\$ —	\$ 587,500.00
Shares issued during the period				
For Cash .....	400,000	400,000.00	80,000.00	320,000.00
For Mining Properties .....	200,000	200,000.00	40,000.00	160,000.00
For Shares of Subsidiary Company .....	600,000	600,000.00	120,000.00	480,000.00
Balance, 31st March, 1955 .....	1,787,500	\$ 1,787,500.00	\$ 240,000.00	<u>\$ 1,547,500.00</u>



## EXPLORATION ACCOUNT

For the three months ended 31st March, 1955

### Indirect Expenses

Advertising .....	\$ 1,489.15	
Annual Meeting Expense .....	307.30	
Head Office Maintenance .....	900.00	
Legal and Accounting .....	906.40	
Printing, Stationery and Office Expense .....	827.82	
Share Issue Expense .....	2,177.09	
Transfer Agent's Fees .....	1,333.46	
Travelling .....	2,299.75	
	<u>\$</u>	10,240.97
Total Exploration and Indirect Expenditures written off to 31st December, 1954 .....		35,452.92
	<u>\$</u>	45,693.89
<i>Deduct:</i>		
Investment and Other Income per Statement herewith .....		6,770.08
BALANCE, at debit, 31st March, 1955 .....	<u>\$</u>	<u>38,923.81</u>

## STATEMENT OF INVESTMENT AND OTHER INCOME

For the three months ended 31st March, 1955

BALANCE, 31st December, 1954 .....	\$ 6,770.08
BALANCE, 31st March, 1955 .....	<u>\$ 6,770.08</u>



## Statutory Information

(a) The full name of the Company is DECOURSEY-BREWIS MINERALS LIMITED (hereinafter called the "Company"). The head office of the Company is located at 145 Yonge Street, Toronto, Ontario.

(b) The Company was incorporated with the name Brewis Red Lake Mines Limited under the laws of Ontario by letters patent dated August 30, 1945 with an authorized capital of \$3,500,000 divided into 3,500,000 shares of the par value of \$1.00 each. By supplementary letters patent dated July 4, 1952 the authorized capital of the Company was increased to \$5,000,000 by the creation of an additional 1,500,000 shares of the par value of \$1.00 each. By supplementary letters patent dated January 21, 1955 the capital of the Company was reduced to \$887,500 and increased to \$3,500,000 by the creation of an additional 2,612,500 shares of the par value of \$1.00 each and the name of the Company was changed to DeCoursey-Brewis Minerals Limited.

(c) The name in full, present occupation and home address in full of each of the officers and directors of the Company are as follows:

### Officers

<i>President</i> .....	ARTHUR WALTER WHITE.....	61 Old Forest Hill Rd., Toronto, Ontario.
	<i>Mining Executive</i>	
<i>Vice-President</i> .....	LAWRENCE WILLIAM McILMURRAY .....	172 Owen Blvd., Willowdale, Ontario.
	<i>Secretary</i>	
<i>Secretary</i> .....	ROBERT BROWN LAW .....	33 Fitch Street, Welland, Ontario.
	<i>Solicitor</i>	
<i>Treasurer and Assistant Secretary</i> .....	HERBERT RODNEY HEARD .....	464 Broadway Ave., Toronto, Ontario.
	<i>Chartered Accountant</i>	

### Directors

ARTHUR WALTER WHITE.....	<i>Mining Executive</i> .....	61 Old Forest Hill Rd., Toronto, Ontario.
LAWRENCE WILLIAM McILMURRAY .....	<i>Secretary</i> .....	172 Owen Blvd., Willowdale, Ontario.
ROBERT BROWN LAW.....	<i>Solicitor</i> .....	33 Fitch Street, Welland, Ontario.
GEORGE RYERSON GARDINER .....	<i>Investment Dealer</i> .....	259 Dunvegan Road, Toronto, Ontario.
DAVID FORSYTH BURT .....	<i>Solicitor</i> .....	159 Rosewell Avenue, Toronto, Ontario.
RAYMOND GREGG WOLFE.....	<i>Merchant</i> .....	Apt. 401, 9th Ave. at D Street, Anchorage, Alaska.
EDWARD NEAL DODD.....	<i>Manager</i> .....	Dodd Apartment, 615 H Street, Anchorage, Alaska.

### Promoters

None, but see paragraph (k) hereof.

(d) The auditors of the Company are McDonald, Nicholson & Co., Chartered Accountants, 80 Richmond Street West, Toronto.

(e) The Registrar and Transfer Agent of the shares of the Company is The Sterling Trusts Corporation, 372 Bay Street, Toronto, Ontario.

The Sterling Trusts Corporation will be the Trustee under the trust deed pursuant to which the \$600,000 principal amount of 6% Sinking Fund Debentures hereinafter referred to are to be issued and a register upon which coupon Debentures may be registered as to principal and upon which fully registered Debentures shall be registered as to principal and interest and upon which transfers of Debentures so registered shall be recorded will be kept by the said The Sterling Trusts Corporation at its office in the City of Toronto.

(f) The authorized capital of the Company consists of \$3,500,000 divided into 3,500,000 shares of the par value of \$1.00 each, of which 1,987,500 shares are outstanding at the date hereof as fully paid.

(g) Except for the \$600,000 aggregate principal amount of 6% Sinking Fund Debentures (hereinafter referred to as the "Debentures") offered by this prospectus, there are no bonds or debentures of the Company outstanding or proposed to be issued.

The Debentures will be direct obligations of the Company and will be issued under and pursuant to a Deed of Trust and Mortgage (hereinafter called the "trust deed") to be dated as of June 1, 1955 and to be made between the Company and The Sterling Trusts Corporation, as Trustee. The Debentures will, in the opinion of counsel, be secured by

(i) a first fixed and specific mortgage, pledge and charge on

(a) all the outstanding shares of DeCoursey Mountain Mining Company, Inc. held by the Company,

(b) all the outstanding promissory notes of DeCoursey Mountain Mining Company, Inc. held by the Company, and

(ii) a first floating charge under the laws of the Provinces of Ontario and Saskatchewan upon all other present and future property and assets of the Company and upon its undertaking.

The first fixed and specific mortgage, pledge and charge to be created by the trust deed is to be expressed to be applicable to all shares and promissory notes of DeCoursey Mountain Mining Company, Inc. hereafter acquired by the Company.

The Debentures will be dated June 1, 1955, will mature June 1, 1962 and will bear interest at the rate of 6% per annum, payable half-yearly on June 1 and December 1 in each year. The principal of and interest on the Debentures will be payable in lawful money of the United States of America at the main branch of the Company's bankers for this purpose in the City of Toronto. The Debentures will be issued as coupon Debentures registrable as to principal only in denominations of \$500 and \$1,000 and as fully registered Debentures in denominations of \$1,000 and authorized multiples thereof.

The Debentures will be redeemable prior to maturity in whole at any time or in part from time to time at the option of the Company and out of sinking fund moneys on not less than sixty days' notice at the principal amount thereof plus accrued interest to the date specified for redemption.



The trust deed will contain provisions, among others, to the effect that so long as any of the Debentures remain outstanding

- (i) the Company will not make any distribution of assets upon, nor apply any of its assets to the retirement or re-acquisition of, any shares of any class of its capital stock now or hereafter issued and outstanding;
- (ii) the Company will not declare or pay any dividends on, or redeem, reduce, purchase or otherwise pay off, any of its shares at any time outstanding, and for the purpose of this provision the term "dividends" shall include stock dividends;
- (iii) the Company will not permit any subsidiary to guarantee any indebtedness or dividends of nor give any other guarantee on behalf of any person, firm or corporation other than the Company;
- (iv) the Company will not sell or otherwise dispose of or permit any subsidiary to sell or otherwise dispose of (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) by conveyance, transfer, lease or otherwise, the assets and undertaking of the Company or of a subsidiary, as the case may be, as an entirety or substantially as an entirety;
- (v) the Company will not sell or otherwise dispose of nor will it permit any subsidiary to issue, sell or otherwise dispose of or to become liable on (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) any funded obligations of such subsidiary or of any subsidiary; provided that this provision shall not prevent DeCoursey Mountain Mining Company, Inc. from borrowing money from the Defence Minerals Exploration Administration of the United States of America in amounts limited to \$500,000 at any time outstanding notwithstanding that such borrowings create funded obligations of DeCoursey Mountain Mining Company, Inc.

The trust deed will provide that all moneys received by the Trustee representing principal repayments of the promissory notes of DeCoursey Mountain Mining Company, Inc. specifically mortgaged, pledged and charged thereunder shall be held by the Trustee and shall be applied by the Trustee on the written request of the Company for the following purposes and none other, namely, (a) to provide funds for the payment of interest falling due on the Debentures (b) to reimburse the Company for payments theretofore made on account of or to provide the Company with funds for the purchase of Debentures, and (c) to provide funds to meet any sinking fund payment payable by the Company.

The Company will covenant in the trust deed to pay to the Trustee as and by way of a sinking fund for the Debentures on June 1 in each year, commencing with June 1, 1957, an amount in lawful money of the United States of America equal to 50% of the net earnings (as to be defined in the trust deed) of DeCoursey Mountain Mining Company, Inc. for the fiscal year of DeCoursey Mountain Mining Company, Inc. next preceding the date upon which each sinking fund payment is to be made.

The trust deed will permit the Company to purchase Debentures in the market or by private contract at prices not exceeding the principal amount thereof, plus accrued interest and costs of purchase, and that any Debentures redeemed or purchased are to be cancelled and not re-issued. All Debentures purchased or redeemed by the Company, except Debentures purchased or redeemed out of sinking fund moneys, shall, notwithstanding the cancellation thereof, be available to the Company as a sinking fund credit which at the election of the Company may be applied to the extent not theretofore applied in amounts of \$500 and multiples thereof in satisfaction in whole or in part of required sinking fund payments payable thereafter. To the extent that the credit so applied does not satisfy the whole of the sinking fund payment to be made on the next sinking fund retirement date, the Company shall pay the balance of such sinking fund payment in cash. Such cash paid to the Trustee is to be applied in the retirement of Debentures by call for redemption at the principal amount thereof, together with accrued interest to the date specified for redemption, provided that such call need not be made if the moneys then in the sinking fund and required to be paid into the sinking fund are less than \$5,000 and in such case, such moneys may be used by the Trustee in purchasing Debentures for cancellation at a price not exceeding the principal amount thereof, plus accrued interest and costs of purchase.

There shall be issued with each Debenture when originally issued in interim form, a stock purchase warrant entitling the holder thereof to purchase shares in the capital stock of the Company at the rate of 1,000 of such shares for each \$1,000 principal amount of such Debenture at the price, payable in lawful money of Canada (i) of \$1.00 per share until the close of business on December 31, 1956, and (ii) of \$1.50 per share thereafter and until the close of business on December 31, 1957. There will also be issued to the Underwriters of the said Debentures stock purchase warrants entitling the holders thereof to purchase an aggregate of 200,000 shares of the capital stock of the Company at the aforesaid price. The said stock purchase warrants will be issued under and pursuant to an Indenture to be dated as of June 1, 1955 and to be made between the Company and The Sterling Trusts Corporation, as Trustee, and will expire at the close of business on December 31, 1957. The Indenture pursuant to which the stock purchase warrants will be issued will include provisions, among others, for the appropriate adjustment in the number of shares issuable pursuant to the privilege attaching to the stock purchase warrants in the event of any subdivision, consolidation or re-classification of, or any stock dividends being paid on, the shares of the capital stock of the Company.

In addition, the Company will covenant in the Indenture to give at least thirty days' notice to the holders of stock purchase warrants of the record date for payment of any dividend on its shares and before issuing any rights to subscribe for additional shares, making any repayment of capital on its shares, consolidating or merging with any other company or selling or leasing a substantial part of its undertaking.

(h) Share certificates representing 180,000 shares are escrowed with The Sterling Trusts Corporation subject to release from escrow, transfer or alienation with the written consent of the Ontario Securities Commission. Such shares, when released from escrow, will be apportioned rateably among the registered holders thereof.

(i) The following shares of the Company have been sold for cash to date:

5 old shares at.....	\$1.00	\$	5.00
400,000 old shares at.....	.08 $\frac{1}{8}$		32,500.00
1,149,995 old shares at.....	.10		114,999.50
100,000 old shares at.....	.10 $\frac{1}{2}$		10,500.00
200,000 old shares at.....	.12 $\frac{1}{2}$		25,000.00
500,000 old shares at.....	.15		75,000.00
300,000 old shares at.....	.20		60,000.00
400,000 old shares at.....	.25		100,000.00
100,000 old shares at.....	.30		30,000.00
100,000 old shares at.....	.35		35,000.00
600,000 new shares at.....	.80		480,000.00

No commissions were paid on the sale of such shares.



As used in this prospectus the term "old shares" means shares issued prior to the supplementary letters patent issued to the Company dated January 21, 1955 and the term "new shares" means the shares resulting from the reorganization of the capital of the Company by said supplementary letters patent. As a result of such reorganization each 8 old shares became the equivalent of 1 new share.

(j) No securities, other than the shares referred to in paragraph (i) hereof have been sold for cash to date. The Company by letter agreement referred to in paragraph (n) hereof has agreed to sell the \$600,000 principal amount of Debentures offered by this prospectus.

(k) No shares were issued or are to be issued or cash paid for promotional or other similar services unless any of the vendors named hereunder are deemed to be promoters, in which case paragraph (l) states particulars.

(l) The Company either directly or through its subsidiary DeCoursey Mountain Mining Company, Inc. (hereinafter called "DeCoursey Mountain") hold interests in properties located in Alaska, Ontario, Saskatchewan and the Yukon Territory. Details of such properties are set out below.

**1. ALASKAN PROPERTIES:** All properties in Alaska in which the Company has an interest are held by DeCoursey Mountain.

**(a) RED DEVIL PROPERTY**

This property consists of 19 unpatented mining claims known as Red Devil 1, 2, 3 and 4, Kosko 1 and 2, Eurica 1, 2 and 3, Barometer 1 to 10 inclusive, all in the Kuskokwim Precinct and Aniak Mining and Recording District of Alaska. The Kosko and Eurica claims are held by DeCoursey Mountain. The Red Devil claims are held under a thirty year lease dated March 1, 1953 granted to DeCoursey Mountain by Nick Mellick, Katherin Mellick and Hans Halverson, all of Sleetmute, Alaska, and are subject to a 10% royalty from the return of any mercury produced therefrom. No rental is payable by DeCoursey Mountain under said lease. The Barometer claims are held under a thirty year lease dated September 1, 1952 granted to DeCoursey Mountain by Nick Mellick, Katherin Mellick, George Willis and Elena Willis, all of Sleetmute, Alaska, and are subject to an 8% royalty from the return of any mercury produced therefrom. No rental is payable by DeCoursey Mountain under said lease.

**(b) WILLIS PROPERTY**

DeCoursey Mountain has an option from George Willis and Oswald Willis, both of Sleetmute, Alaska, to purchase six (6) mining claims known as the Headache, Relief, Buck, Jack, Hick and Sam lodes, all in the Kuskokwim Precinct and Aniak Mining and Recording District, Alaska, for \$50,000 payable \$5,000 per year, the first of which payments has been made.

**(c) DE COURSEY MOUNTAIN PROPERTY**

(i) DeCoursey Mountain owns Tunnel Lode claim No. 1 in the McKinley Recording Precinct, Alaska, and is purchasing Last Chance claims numbers 1, 2 and 3 and Snowbird claims numbers 1, 2, 3, 4, and 5 in the Otter Recording Precinct, Alaska, under an agreement dated April 15, 1953 with Robert Lyman, Anchorage, Alaska. Under the said agreement a balance of \$37,333.24 is still payable at the rate of \$6,222.22 per year until payment in full.

(ii) DeCoursey Mountain holds, under an eleven year lease dated February 21, 1955 from Robert Lyman, Anchorage, Alaska, the following claims in the Otter Mining and Recording District, namely: Discovery, Helen, One Below Discovery, William, Retort, Bedrock, Outcrop and Dome. These claims are subject to a royalty of 12½% from the proceeds of any mercury produced therefrom. No rental is payable by DeCoursey Mountain under the said lease.

DeCoursey Mountain was organized under the laws of the Territory of Alaska on October 22nd, 1951 with an authorized capital of 300,000 shares of the par value of \$1.00 each, all of which shares have been issued and allotted. By agreement dated the 30th day of December, 1954 between the Company and DeCoursey Mountain, the Company offered to purchase all the shares of DeCoursey Mountain from its shareholders on the basis of 2 shares of the Company for each share held in DeCoursey Mountain. This agreement was approved by the shareholders of DeCoursey Mountain on the 24th day of January, 1955. As a result, 600,000 shares of the Company are available to the shareholders of DeCoursey Mountain. As of May 31, 1955, the shareholders of DeCoursey Mountain had exchanged and the Company was the holder of 292,949 shares of DeCoursey Mountain.

**2. ONTARIO PROPERTIES:**

(a) The Company is the owner of patented mining claims KRL 19689-19692 inclusive; 19696-19702 inclusive; 20141-20143 inclusive and licenses of occupation, 10812-10814 inclusive, all in Balmer Township, Kenora Mining Division.

The said properties were originally acquired in the form of unpatented mining claims by the Company from John Goodall Dickenson, Red Lake, Ontario and Irvin Isbell, Toronto, Ontario pursuant to an agreement dated September 2, 1945 in consideration of the issue to such vendors of 1,200,000 old shares. Subsequently the Company applied for patents in respect of said unpatented mining claims and was granted in respect thereof the aforesaid patented claims and licenses of occupation. Brewis & White Limited, 145 Yonge Street, Toronto, was the only person who received or is to receive a greater than 5% interest in the aforesaid consideration received by John Goodall Dickenson and Irvin Isbell.

(b) The Company is the holder of unpatented mining claims S.70668-70677 inclusive; S.70683-70686 inclusive; S.71204 and 71205; 71451; 71455; 71456; 71589; 71594; 71596; 71599 to 71608 inclusive; 71613; 71615 and 71616 in Porter Township, Sudbury Mining Division. The Company acquired such unpatented mining claims from A. W. White Mica Limited, 145 Yonge Street, Toronto, by agreement dated December 30, 1954 in consideration of 100,000 new shares of which 10,000 were issued as free shares and the balance namely 90,000, were escrowed on the terms described in paragraph (h) hereof. No person received or is to receive from said vendor a greater than 5% interest in said consideration.

(c) The Company is the holder of unpatented mining claims K.20030 to K.20038 inclusive in Zealand Township, Kenora Mining Division. The Company acquired said unpatented mining claims from Frank Reichert, Wabigoon, Ontario, by agreement dated December 30, 1954, in consideration of 100,000 new shares of the Company, of which 10,000 were issued as free shares and the balance, namely 90,000 were escrowed on the terms described in paragraph (h) hereof. Arthur Walter White, 61 Old Forest Hill Road, Toronto, is the only person who has received or is to receive from said vendor a greater than 5% interest in said consideration.

**3. SASKATCHEWAN PROPERTIES:**

(a) The Company holds unpatented mining claims VIP 1-14 inclusive, numbers S.11775 to 11788 inclusive in Jahala Lake District, Churchill Mining Division. The Company acquired said claims from Leonard



McArthur, Archibald William Boland and Wilfred John Boland, all of Toronto, by agreement dated April 30, 1954 in consideration of 50,000 old shares of the Company and payment of \$6,000 cash, such shares and cash to be divided equally between such vendors. No person received or is to receive from such vendors a greater than 5% interest in said consideration.

- (b) The Company holds unpatented mining claims LM 1-9 inclusive, numbers S.17354 to 17362 inclusive, in the Foster Lake Area. The Company intends to allow these claims to lapse. The Company acquired these claims from Mid-North Engineering Services Limited, 145 Yonge Street, Toronto, by agreement June 23, 1953 for \$10,000 cash, which has been paid. No person received or is to receive from said vendor a greater than 5% interest in said consideration.

#### 4. YUKON TERRITORY:

- (a) The Company holds eleven (11) placer claims on Allgold Creek, Yukon Territory, known as Allgold Discovery Claim and Claims 1-10 inclusive above Discovery. These claims have been leased by the Company to Northern Placers Limited for a period of ten (10) years from the 11th day of February, 1955. Under the lease a 10% royalty on all gold produced is reserved to the Company. These claims were acquired on August 4, 1953 from Michael Cole, Keno, Yukon Territories, for a cash consideration of \$25,000 which has been paid. No person received or is to receive from said vendor a greater than 5% interest in said consideration.

- (b) By agreement dated November 15, 1950, Arthur John McLaren, Mining Engineer, Toronto, Ontario, assigned to the Company all his right, title and interest in and to certain options to purchase mining claims in the Yukon Territory in consideration of the payment of \$25,000 cash and the allotment of 200,000 old shares of the Company. To the knowledge of the signatories hereto, no person has received or is to receive a greater than 5% interest in the consideration received by the said Arthur John McLaren. The options assigned to the Company by the said agreement were as follows:

- (i) An option from George Besner and Annie Besner of Mayo, Yukon Territory to acquire claims known as Black Cap, Shepherd, OK Fraction, DuChuck and Dot Fraction for a total consideration of \$125,000 payable as follows: \$5,400 by monthly payments of \$300 each for 18 months commencing November 1, 1950; \$10,000 payable on or before April 1, 1952; \$15,000 payable on or before April 1, 1953; \$25,000 payable on or before April 1, 1954; and the balance of \$69,600 out of production at the rate of 20% of net smelter returns.

Under this option the Company has paid to date to George and Annie Besner the sum of \$11,200. By agreement dated November 5, 1953 the balance of the payment due April 1, 1952 was extended until September 1, 1956 and the payments of \$15,000 and \$25,000 are to be made September 1, 1957 and September 1, 1958 respectively.

- (ii) An option from Frank Gillespie of Mayo, Yukon Territory to acquire a claim known as the Anthony mining claim for a total consideration of \$20,000. The Company paid Mr. Gillespie the sum of \$6,500 under this option agreement but the option has now been dropped by the Company.

- (iii) An option from Alexander Nicol of Mayo, Yukon Territory to acquire a mining claim known as Galena Fraction for a total consideration of \$3,000. The Company paid Mr. Nicol the sum of \$1,200 under this option agreement but the option has now been dropped by the Company.

- (iv) An option from Bertha Brame and Albert Brame to acquire a mining claim known as Pearl mining claim for a total consideration of \$6,500. The Company paid Bertha and Albert Brame the sum of \$2,350 under the option agreement but the option has now been dropped by the Company.

- (v) An option from William Cathro of Mayo, Yukon Territory to acquire a claim known as Prince mining claim for a total consideration of \$5,000. The Company paid Mr. Cathro the sum of \$1,700 under the option agreement but the option has now been dropped by the Company.

To the knowledge of the signatories hereto no person has received or is to receive from any of the aforesaid optionors a greater than 5% interest in the payments made or to be made by the Company to said optionors.

Reference is hereby expressly made to the reports of G. L. Holbrooke, dated May 16, 1955, forming part of this prospectus for further details of all the above mentioned properties.

- (m) Details relating to the properties of the Company and DeCoursey Mountain, the means of access thereto, the character, extent and condition of any surface exploration and development and any surface plant and equipment, the known history of said properties and a description of any work done and improvements made by the present management is contained in, and reference is hereby expressly made to, the reports of George L. Holbrooke, Engineer, dated May 16, 1955, which reports accompany and form part of this prospectus. There has been no underground exploration and development except as referred to in the said report. The description of the underground plant and equipment is set out in the said report.

- (n) Except in so far as the stock purchase warrants referred to in paragraph (g) hereof will, when issued, entitle the holders thereof to purchase shares of the Company for cash at the price therein referred to, there are no option agreements or sub-option agreements covering the securities of the Company presently outstanding or proposed to be given. The Company, by letter agreement dated May 25, 1955, has agreed to sell to George R. Gardiner Limited, 44 King Street West, Toronto, Ontario and Brewis & White Limited, 145 Yonge Street, Toronto, Ontario, acting respectively on their own behalf, (hereinafter called the "Underwriters"), and the Underwriters have agreed to purchase, subject to compliance with the necessary legal formalities and upon the terms and conditions set forth in the said letter agreement, on or about July 11, 1955, the \$600,000 principal amount of Debentures at an aggregate price of \$570,000 plus accrued interest to the date of delivery payable in cash against delivery of the Debentures.

Arthur Walter White is the only person having a greater than 5% interest in Brewis & White Limited.

George Ryerson Gardiner is the only person having a greater than 5% interest in George R. Gardiner Limited.

- (o) The proceeds from the sale of the Debentures offered by this prospectus will be used by the Company to provide sufficient funds to enable DeCoursey Mountain to carry out the remaining development work on its Alaskan properties in accordance with the recommendations of G. L. Holbrooke, to defray the cost of installing and equipping a reduction plant for the production of mercury and for general corporate purposes of the Company. In carrying out the recommendations of G. L. Holbrooke as set out in his reports dated May 16, 1955 forming part of this prospectus, the Company has spent to date in excess of \$280,000. The proceeds from the sale of the Debentures, namely \$570,000, and the cash reserves of the Company presently in excess of \$100,000 are available to complete the development work recommended by G. L. Holbrooke and to defray the cost of installing and equipping a reduction plant for the production of mercury, which is estimated to cost \$148,000.

- (p) The Company has been incorporated for more than one year.

- (q) There is no indebtedness to be created or assumed other than commitments in the ordinary course of the Company's business, which is not shown in the consolidated balance sheet as at March 31, 1955 accompany-



ing and forming part of this prospectus and to which reference is hereby expressly made, except the \$600,000 aggregate principal amount of Debentures, the particulars of which are set forth in paragraph (g) hereof.

(r) (i) The following are the particulars with respect to the principal business in which each director and officer of the Company has been engaged during the past three years:

ARTHUR WALTER WHITE is a mining executive and is president of several mining companies and of Brewis & White Limited.

LAWRENCE WILLIAM McILMURRAY is a secretary and is secretary of the Company and of Brewis & White Limited.

ROBERT BROWN LAW is a solicitor and is a member of the firm of Raymond, Spencer, Law & MacInnes, Welland, Ontario.

GEORGE RYERSON GARDINER is a member of the Toronto Stock Exchange and is President of George R. Gardiner Limited.

DAVID FORSYTH BURT is a solicitor and is a member of the firm of Burt & Burt, Toronto, Ontario.

RAYMOND GREGG WOLFE owns and operates a department store at Anchorage, Alaska.

EDWARD NEAL DODD is the owner and operator of an apartment house in Anchorage, Alaska.

HERBERT RODNEY HEARD is a chartered accountant and was employed by Noranda Mines Limited in June and July of 1952 and since that time has been employed by Mid-North Engineering Services Limited.

(ii) None of the directors or officers, either personally or as a partner in a firm, has ever had any interest, direct or indirect, in any property acquired or to be acquired by the Company, except Arthur Walter White, particulars of the nature of whose interest is given in paragraph (1) hereof and Raymond Gregg Wolfe and Edward Neal Dodd who were shareholders of DeCoursey Mountain. Mr. White is also a substantial shareholder of A. W. White Mica Limited, Mid-North Engineering Services Limited and Brewis & White Limited, all of which companies were vendors of property acquired by the Company or participated in the consideration received by vendors.

(iii) No remuneration has been paid by the Company during its last financial year to directors or officers. During the current financial year it is estimated no remuneration will be paid to officers of the Company as such, and that an amount, not in excess of \$7,000, will be paid to directors as such.

(s) No dividends have as yet been paid.

(t) The signatories hereto know of no persons who, by reason of beneficial ownership of securities of the Company or any agreement in writing, are in a position or are entitled to elect or cause to be elected a majority of the directors of the Company.

(u) To the knowledge of the management of the Company, no arrangements have been made for the sale of vendors shares. Vendors shares as released from escrow may be sold but the proceeds will not go into the treasury of the Company.

(v) There are no other material facts not disclosed in the foregoing except that on June 22, 1955 Julianna Wilson, the Assistant Secretary of DeCoursey Mountain was served with a copy of a complaint in a legal action taken by one Leo LaVoie against the Company and DeCoursey Mountain. Mr. LaVoie is seeking to recover re-imbursement for medical, hospital, wage and other expenses in the sum of \$150,000 as a result of impairment of his vision and is seeking a further sum of \$100,000 punitive damages. Mr. LaVoie was injured by an employee of DeCoursey Mountain while working for a contractor named Leo Vendetti who was in charge of the shaft sinking taking place on the Red Devil property.

DATED at Toronto this 28th day of June, 1955.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required.

#### Directors

A. W. WHITE

L. W. McILMURRAY

GEORGE GARDINER

D. F. BURT

R. B. LAW

by his agent, D. F. BURT

RAYMOND GREGG WOLFE

by his agent, D. F. BURT

EDWARD NEAL DODD

by his agent, D. F. BURT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

#### BREWIS & WHITE LIMITED

by:

A. W. WHITE

L. W. McILMURRAY

#### GEORGE R. GARDINER LIMITED

by:

GEORGE GARDINER











